

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 371

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR FOSTER.

Read 1st time January 28, 2003, and 1,000 copies ordered printed.

Read 2nd time January 30, 2003, and referred to the Committee on Education.

Reported from the Committee February 24, 2003, with recommendation that the bill do pass and be placed on the Consent Calendar.

Taken up March 3, 2003. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

0876S.01P

AN ACT

To repeal sections 173.355 and 173.385, RSMo, and to enact in lieu thereof two new sections relating to the Missouri higher education loan authority.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 173.355 and 173.385, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 173.355 and 173.385, to read as follows:

173.355. As used in sections 173.350 to 173.450, the following terms mean:

(1) "Authority", the Missouri higher education loan authority;

(2) "Board", the Missouri coordinating board for higher education;

(3) "Bond resolution", any indenture, resolution or other financing document pursuant to which revenue bonds, notes or other forms of indebtedness of the authority are issued or secured;

(4) "Commissioner", the Missouri commissioner of higher education;

(5) "Department", the Missouri department of higher education;

(6) "Secondary education loans", loans or notes originated by banks, other financial institutions, secondary education institutions or the authority, the proceeds of which are to be used to pay tuition for students enrolling for either junior or senior year at a secondary school which is accredited in accordance with applicable state

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

law. Such loans shall be available only to the parents or guardians of those students who undertake courses of instruction for which post secondary school course credit may be awarded. Loan proceeds will not be available for any secondary school instruction which is sectarian in nature.

173.385. The authority shall have the following powers, together with all powers incidental thereto or necessary for the performance thereof:

- (1) To have perpetual succession as a body politic and corporate;
- (2) To adopt bylaws for the regulation of its affairs and the conduct of its business;
- (3) To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;
- (4) To have and to use a corporate seal and to alter the same at pleasure;
- (5) To maintain an office at such place or places in the state of Missouri as it may designate;
- (6) To issue bonds or other forms of indebtedness to obtain funds to purchase student loan notes or finance student loans, or both, including those which are guaranteed under the provisions of sections 173.095 to [173.180] **173.187**, or under the provisions of the federal Higher Education Act of 1965, as amended, **or secondary education loans**, or scholarships which have been converted to loans under the Missouri teacher education scholarship program provided for in sections 160.276 to 160.283, RSMo. Such bonds or other forms of indebtedness shall be payable from and secured by a pledge of revenues derived from or by reason of the ownership of student loan notes or financing of student loans, or both, and investment income or shall be payable from and secured as may be designated in a bond resolution authorized by the authority. Such bonds or other forms of indebtedness shall not constitute a debt or liability of the state of Missouri or of any political subdivision thereof;
- (7) To cause proceeds of any bond or any other form of indebtedness to be used to purchase student loan notes or finance student loans, or both, including those which are guaranteed under section 173.110, or guaranteed under the federal Higher Education Act of 1965, as amended, **or secondary education loans**, or scholarships which have been converted to loans under the Missouri teacher education scholarship program provided for in sections 160.276 to 160.283, RSMo;
- (8) To sell or enter into agreements to sell student loan notes acquired pursuant to subdivision (7) of this section, and any agreement to sell student loan notes guaranteed under section 173.110 shall be subject to prior approval of the department. Such agreements to sell student loan notes shall be limited only by the terms of the bond resolution authorizing the issue of the bonds or other forms of indebtedness, but shall not be limited by any other provision of law limiting the sale of such student loan notes;
- (9) To accept appropriations, gifts, grants, bequests, and devises and to utilize or dispose

of the same to carry out its purpose;

(10) To make and execute contracts, releases, compromises, and other instruments necessary or convenient for the exercise of its powers, or to carry out its purpose;

(11) To collect reasonable fees and charges in connection with making and servicing its loans, notes, bonds, obligations, commitments, and other evidences of indebtedness, and in connection with providing technical, consultative and project assistant services. Such fees and charges shall be used to pay the costs of the authority;

(12) To invest any funds not required for immediate disbursement in obligations of the state of Missouri or of the United States government or any instrumentality thereof, the principal and interest of which are guaranteed by the state of Missouri, or the United States government or any instrumentality thereof, or certificates of deposit or time deposits of federally insured banks, or federally insured savings and loan associations or of insured credit unions, or, with respect to moneys pledged or held under a trust estate or otherwise available for the owners of bonds or other forms of indebtedness, any investment authorized under the bond resolution governing the security and payment of such obligations or repurchase agreements for the specified investments;

(13) To acquire, hold and dispose of personal property for its purposes;

(14) To enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization;

(15) To take any necessary actions to be qualified to issue tax-exempt bonds or other forms of tax-exempt indebtedness pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended;

(16) To take any necessary actions to be qualified to issue bonds or other forms of indebtedness, the interest on which is not exempt from federal income taxation;

(17) To service student loans for any owner thereof, regardless of whether such student loans are originated in this state or out of this state.